Engagement of external agencies for Competition Commission

2910. SHRISANTOSHBAGRODIA:
SHRI K.B. KRISHNA MURTHY:

Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) whether Government have engaged outside agencies for building capacity of the Competition Commission of India; and

(b) if so, how will it ensure that the capacity programme adequately reflects the development needs of the country rather than importing certain types of skills and approaches?

THE MINISTER OF STATE OF THE MINISTRY OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA): (a) Yes, Sir.

(b) The capacity building programme of the CCI is being implemented under the supervision of the Central Government and the CCI, which will ensure that development needs of the country are taken care of.

Cases handled by SFIO

2911. SHRI MOTILAL VORA: Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) the ground on which the cases are handed over to Serious Fraud Investigation Office (SFIO) for investigation and the number of cases handed over to SFIO for investigation during the last three years;

(b) the progress made in each case with regard to investigation and by when the investigation work would be completed;

(c) the agency to which investigation work is assigned in cases of frauds involving the investors investing Rs. 50 crores or less than Rs. 5000;

(d) the number of cases which came to Government's notice during the last three years and the action taken in this regard; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA): (a) Cases are handed over to

the Serious Fraud Investigation Office (SFIO) for investigation on the following grounds:—

(i) Where the size of the alleged fraud is estimated to be at least Rs. 50 crore or more, or;

(ii) Such companies which are listed or where the paid up capital of the Company is more than Rs. five crores, and 20% or more capital is subscribed by the public; and

(iii) When the alleged fraud involves widespread public concern estimated to affect at least more than 5000 persons; or

(iv) Where investigation requires specialized skills and multi-disciplinay approach.

The SFIO has been established since October 2003 and so far 30 cases have been referred to it for investigation under section 235/237 of the Companies Act, 1956 by the Ministry.

(b) A statement is enclosed. (See below)

(c) The investigation in cases of fraud involving the investors investing less than Rs. 50 Crores or where alleged fraud does not involve widespread public concern, affecting less than 5000 persons or so, may be assigned for investigation to the officers of the Ministry of Company Affairs or a professional such as Chartered Accountant, Company Secretary or Cost & Works Accountants having requisite skills and experience to be appointed undersection 235/237 of the Companies Act, 1956.

(d) and (e) Reply as per part (b) of the question above.

Statement

List of cases referred to Serious Fraud Investigation Office for investigation

Sl. No.	Name of Company	Status
1.	Daewoo Motors India Ltd.	Investigation completed
2.	DSQ Software Ltd.	Do
3.	Design Auto Systems Ltd.	Do
4.	Bonanza Biotech Ltd.	Do

SI. No.	Name of Company	Status
5.	Vatsa Corporation Ltd.	Do
6.	Mardia Chemicals Ltd.	Do
7.	Adam Comsof Ltd.	Do
8.	Kolar Biotech Ltd. Do	
9.	Soundcraft Industries Ltd.	Do
10.	Ispat Industries Ltd.	Investigation order was quashed by Kolkata High Court
11.	Triumph International Finance India Ltd.	Investigation is in progress
12.	NH Securities Ltd.	Do
13.	KNP Securities Pvt. Ltd.	Do
14.	VN Parekh Securiteis Pvt. Ltd.	Do
15.	Panther Fincap and Management Services Ltd.	Do
16.	Panther Investrade Ltd.	Do
17.	Panther Industrial Products Ltd.	Do
18.	Saimangal Investrade Ltd.	Do
19.	Classic Credit Ltd.	Do
20.	Classic Shares & Stock Broking Services Ltd.	Do
21.	Luminant Investrade Pvt. Ltd.	Do
22.	Goldfish Computers Pvt. Ltd.	Do
23.	Triumph Securities Pvt. Ltd.	Do
24.	Nakshatra Software Pvt. Ltd.	Do
25.	Chitrakoot Computers Pvt. Ltd.	Do
26.	Manmandir Estate Development Pvt. Ltd.	Do
27.	Usha (India) Ltd.	Do
28.	Malvika Steels Ltd.	Do
29.	Koshika Telecom Ltd	Do
30.	Mukta Arts Ltd.	Investigation has been stayed by Hon'ble High Court of Bombay